

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 INT-08 FEA-02 AID-20 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10

SS-20 STR-08 CEA-02 L-03 H-03 PRS-01 PA-04 USIA-15

NEA-11 EUR-25 DRC-01 /206 W
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R 211506Z JAN 74

FM AMEMBASSY PORT OF SPAIN
TO SECSTATE WASHDC 5969
INFO AMEMBASSY BRIDGETOWN
AMEMBASSY CARACAS
AMEMBASSY GEORGETOWN
AMEMBASSY KINGSTON

C O N F I D E N T I A L PORT OF SPAIN 0162

E.O. 11652: GDS

TAGS: ENRG, PINT, TD

SUBJECT: ENERGY: REACTION TO PM WILLIAMS' ANNOUNCEMENT RE TEXACO

REF: POS 0147; POS 0155

1. LOCAL TEXACO OFFICIALS CONFIRM THE GOVERNOR GNERAL'S REMARK (POS 0155) THAT THE GOTT AND TEXACO HAVE ONLY AGREED TO DISCUSS THE SUBJECT OF EVENTUAL GOTT PARTICIPATION IN SOME OF TEXACO'S HOLDINGS IN TRINIDAD. IN FACT, WHEN THE WIRE SERVICE REPORTS OF THE PRIME MINISTER'S SPEECH REACHED NEW YORK, TEXACO'S HEAD-QUARTERS APPARENTLY WERE SURPRISED AND IMMEDIATELY TELEPHONED TEXACO TRINIDAD TO INQUIRE AS TO THE EXACT WORDING OF THE PM'S ANNOUNCEMENT. TEXACO TRINIDAD OFFICIALS BELIEVE THAT WILLIAMS' SPEECH WAS DESIGNED FOR MAXIMUM POLITICAL IMPACT AND APPEAR UNPERTURBED BY HIS STATEMENT THAT AGREEMENT HAD BEEN REACHED ON PARTICIPATION. AS USUAL, THEY PLAN NO PUBLIC COMMENT, BUT ARE INFORMALLY GETTING THE WORD AROUND THAT THEY DO NOT PLAN TO
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DISCUSS ANY GOTT PARTICIPATION IN THEIR GIANT (355,000 BBL/DAY)

REFINERY OPERATION, THUS LEAVING THE WAY OPEN TOWARD POSSIBLE EVENTUAL GOTT PARTICIPATION IN PRODUCTION OR MARKETING ASPECTS OF TEXACO'S OPERATIONS HERE.

2. PUBLIC REACTION HAS GENERALLY BEEN APPROVAL MIXED WITH SOME SKEPTICISM. OIL FIELD WORKER'S TRADE UNION PRESIDENT GEORGE WEEKES SAID THAT HIS UNION ADVOCATION GOVERNMENT CONTROL OF NOT ONLY OIL BUT ALL NATURAL RESOURCES, AND INDICATED THAT HE IS WAITING FOR ACTUAL DEEDS ON THE PART OF THE GOTT. DEMOCRATIC LABOUR PARTY LEADER VERNON JAMADAR CLAIMED THAT WILLIAMS' SPEECH DUCKED THE MAIN ISSUE, WHICH ACCORDING TO JAMADAR IS THAT GOTT 1974 REVENUE FROM OIL SHOULD BE ONE BILLION 55 DOLLARS. JAMADAR ALSO CRITICIZED THE TIMING OF WILLIAMS' SPEECH (FOUR DAYS BEFORE THE ANNUAL BUDGET SPEECH), AND CHARGED THAT WILLIAMS WAS ANNOUNCING AS ACCOMPLISHMENTS MATTERS THAT ARE MERELY PROPOSALS BY THE PM, WITHOUT ANY RESPONSE FROM THE OTHER PARTY INVOLVED. JAMADAR'S ATTACK APPARENTLY WAS NOT FAR OFF THE MARK, FOR IT WAS REBUTTED IN AN UNUSUAL PRESS ARTICLE IN THE SUNDAY GUARDIAN THE FOLLOWING DAY. THIS STORY DESCRIBED HOW MUCH TIME WILLIAMS AND HIS SENIOR ADVISERS WERE DEVOTING TO ENERGY MATTERS AND CLAIMED THAT THE TIMING OF THE SPEECH, THE SENDING OF SPECIAL MISSIONS, ETC. IS ALL PART OF A COMPLEX MASTER PLAN. THE REBUTTAL WENT OUT OF ITS WAY TO PORTRAY WILLIAMS AS CONSULTING WITH HIS ADVISERS AND EVEN ATTENDING SOCIAL EVENTS IN THE INTEREST OF ENERGY POLICY (TWO THINGS USUALLY SHUNNED BY THE PM).

3. BOTH DAILY NEWSPAPERS EDITORIALY PRAISED THE PRIME MINISTER'S ANNOUNCEMENT, WITH THE EXPRESS NOTING THAT "THE STRENGTH OF TRINIDAD AND TOBAGO'S POSITION, AS A STABLE OIL PRODUCER LOCATED IN THE WESTERN HEMISPHERE, GIVES US AN UNEXPECTED ADVANTAGE THAT SHOULD BE CAPTIALIZED UPON" BY BUYING INTO TEXACO. THE SUNDAY GUARDIAN DID NOT SPECIFICALLY ADDRESS THE QUESTION OF GOTT PARTICIPATION IN TEXACO, BUT PRAISED WILLIAMS FOR BEING "WELL QUALIFIED TO ORCHESTRATE" THE VARIETY OF MOVES WHICH WILL BE NECESSARY FOR THE GOTT TO MAKE ON THE INTERNATIONAL SCENE. THE GUARDIAN ALSO EDITORIALY REBUTTED WILLIAMS' NUMEROUS CRITICS, SAYING THAT "CONTRARY TO THE SILLY MYTH OF A ONE-MAN OPERATION, THE PRIME MINISTER IS RELYING ON ADVICE IN THE FORMULATION AND EXECUTION OF POLICY." THE EDITORIAL CITED WILLIAMS' CREATION OF A PERMANENT BODY OF SENIOR OIL POLICY ADVISERS AS EVIDENCE

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TO SUPPORT ITS CONTENTION THAT HE IS NOW RELYING UPON ADVICE IN ENERGY POLICY MATTERS.

4. EMBASSY COMMENT: WILLIAMS INDEED IS CAREFULLY ORCHESTRATING AN UNUSUAL (FOR HIM) PUBLIC CAMPAIGN IN AN ATTEMPT TO SHOW THAT HIS GOVERNMENT DOES HAVE A POLICY ON ENERGY MATTERS, EVEN THOUGH IT IS DIFFICULT TO SEE WHERE ALL THE STRANDS MAY LEAD. THE NEXT STEP IN THE PLAN IS TODAY'S BUDGET SPEECH, WHICH SHOULD

REVEAL THE GOTT'S DECISIONS ON A NUMBER OF DIFFICULT TOPICS, SUCH
AS PRICE INCREASES, LOCAL TAXATION, OIL REVENUE POLICY, ETC.
FOLLOWING THAT, FURTHER ANNOUNCEMENTS ARE UNLIKELY UNTIL THE
RETURN OF SOME OR ALL OF THE GOTT'S MISSIONS TO DISCUSS OIL
MATTERS AND JOINT INDUSTRIAL PROJECTS WITH A NUMBER OF OTHER
GOVERNMENTS.
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